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WHAT IS RURAL ECONOMICS

SUMMARY

Three groups of rural economists, 300.—Dominance of the first group, emphasizing farm management, 301.—Its position unsound in principle, 302.—Difficulties of combining the individual with the social point of view, 303.—Multiplicity of subjects treated, 304.—Doubtful whether rural economics can be separated from general economics, 308.

THE question, what is rural economics, still rouses surprising diversity of opinion, notwithstanding the great volume of current literature dealing with it, and notwithstanding the attention the subject has received in recent years, especially during the war. With increasing density of population, higher prices of farm products, and all the other problems incident to a denser population, rural economics will receive in the future even more attention; and this attention should be intelligently directed. The fact that some men in the field have tried to shunt the subject to the wrong track will justify a careful analysis as to its proper scope.

Among the groups or schools of rural economists, three may easily be distinguished. One group, following Professor Taylor of Wisconsin, includes in rural economics not only that body of economics which relates particularly to agriculture, but also farm management; it looks at the farmer's problems not merely from the social point of view, but also from the individual. A second group, following Professor Carver, would exclude farm management. A third group would hold that there is no such thing as rural economics, but that

what is commonly called rural economics is merely a combination of ordinary economics on the one hand and agriculture on the other.

The first group includes perhaps a majority of what are commonly called rural economists in this country. In fact, since the association of agricultural economists merged with the farm management association, it appears that, as far as associative recognition is concerned, there is now only one brand of rural economics — the farm management brand.

Rural economics, according to Professor Taylor, "has to do with the harmonious adjustment of the relations between useful forms of plant and animal production and the human environment; also between the various people who participate in the production, transportation and marketing of farm products. . . . It is the function of economics to make clear the economic forces with which the farmer has to deal and to develop methods of ascertaining what to produce and how to produce it in order to secure maximum net profits for the farmer and maximum well-being for the nation."¹

The chief point to be noted in this comprehensive definition is that it takes both the individual and the social point of view; it includes both farm management and economics. In a way it resembles Aristotle's *Oeconomic*, or household management. It also seems to assume that maximum profits for the farmer and maximum well-being for the nation, if not identical, are at least closely related. Representing the attitude of perhaps the largest department of rural economics in the country, the conception of course has merits as well as standing. In the first place, under it a great deal of valuable work has been done. No one is entitled to

¹ H. C. Taylor, *The Place of Economics in Agricultural Education and Research*, Wisconsin Agricultural Experiment Station, Research Bulletin No. 16.

discuss rural economics who is not familiar with some of the contributions of Professor Taylor and his group. In the second place, it gives the subject a direct bearing on the practical problems of farmers, a bearing which general economics sometimes lacks. Under this theory, rural economists, in agricultural colleges, are usually closely associated with teachers of agriculture, and they acquire what is often spoken of as the "agricultural point of view," which is valuable for certain purposes.

Some knowledge of agriculture, going even beyond a good acquaintance with farm life and conditions, is helpful to the economist, especially if he is engaged in work which brings him much in contact with farmers. A rural economist who is untrained in agriculture is at a disadvantage in dealing with farmers, for farmers are likely to be suspicious of "theorists."

One of the greatest merits of what might be called the "Wisconsin view" is that it fits in well with the academic politics of many state institutions. A department of rural economics occupying offices in Agricultural Hall, with other agricultural departments, holding out to the voting farmer not only a few pearls of economic truth but also some data which will point the way to greater profits, is assured more generous support than would be accorded a department which made no pretense of dealing with individual profits.

And yet despite all the advantages, the position of Professor Taylor and his group is unsound in principle. Rural economics should be regarded as economics, not as agriculture. It should be treated only from the social point of view, leaving the question of individual profits to another class of investigators. For several reasons this is the sounder view.

In the first place, it is consonant with ordinary academic usage. Economics is a social science, and the

social point of view is maintained in the better institutions everywhere. Courses in labor problems are not given for the purpose of teaching students to become foremen or labor drivers; courses in trusts and monopolies do not aim to make trust managers of the students; money and credit is not a get-rich-quick course, in spite of a fairly common opinion to that effect. It is true that in some courses closely allied to economics, the individual point of view is sometimes taken. But such courses are usually given in schools of commerce; and the foremost schools of commerce are organized separately from departments of economics. In all the great universities of the country, notwithstanding the development of schools of commerce, economics is still regarded as a social science. What Professor Taylor calls "farm economics" is not mainly economics at all, but farm management.

Another reason why rural economics should take only the social point of view is that otherwise the field is entirely too broad. Economics is itself an exceedingly broad and complex science, sufficiently broad to give ample play to the greatest abilities, without including farm management. No one who has read Marshall or Taussig or Von Thünen carefully will admit that economics is merely "common sense," as one farm management authority has described it. It is that, to be sure, but it should be highly trained and educated common sense. Most economists have had experience trying to get untrained but perhaps "sensible" men to understand some of the elementary principles of the science, and will agree that common sense is not enough. In classes in the elements of economics, the writer has always found 10 per cent or more of the students who are simply incapable of grasping even the elementary principles of the subject.

Farm management also is an appallingly complex science — if it be not too broad to be called a science. As Sir John Sinclair once said: "Agriculture, though in general capable of being reduced to simple principles, yet requires on the whole a greater variety of knowledge than any other art." What a vast number of questions must the farm manager be prepared to answer: how much land shall the farmer buy, what kind of land, where, how; how many cattle shall he keep, what kind, what shall he feed them; what crops shall he raise, and what variety of each; what type of horses shall he use, or shall it be mules or oxen or a tractor? A thousand questions, and more, must be answered — not questions in economics, but in agriculture. The farm manager must know a great deal about animal husbandry, agronomy, poultry husbandry, dairying, soils, agricultural engineering, accounting; in fact he must be a veritable super-agriculturist. The field of farm management alone is so broad that only men of exceptional ability have any business in it. When economics is added, it becomes a proper field for super-men. Professor Taylor's definition suggests either super-men or academic jacks-of-all-trades.

Some rural economists, even of the farm management type, are not qualified to give advice to farmers regarding their business. One of the best things Professor Warren ever did was to point out that most farmers are not fools or fogies, but are working out the problems they meet with considerable good sense and sagacity. The young man who has just finished his courses in economic theory and history of theory and farm management and animal husbandry and poultry husbandry and farm accounts and rural law — the rural economist of the composite type — may be able to render some service to the farmer who has known

enough about farm management to make a hundred thousand dollars, but he will learn a great deal too, and will be lucky if he doesn't occasionally make embarrassing mistakes. He would be in some danger even if his training were entirely in farm management. But he is only half farmer, and the half that is economist doesn't interest the farmer who is looking for advice on the management of his farm.

It was once suggested to the writer that what he has ventured to call the "Wisconsin" view does not imply that the rural economist should be both an expert economist and an agriculturist, but that he should have a good training in economics and then as much work in agriculture as possible. This is not feasible, however, for two reasons. In the first place, unless the rural economist knows agriculture very thoroly, he has no business with the problems of farm management; and, in the second place, since the amount of human energy is in most individuals somewhat limited, "as much agriculture as possible" often means "as little economics as possible."

In agricultural colleges there are special reasons why the rural economist should be a good economist, regardless of his knowledge of technical agriculture. If he is not a good economist, there may be no good economics to be found in the institution; whereas, if he is not a good agriculturist, the defect is not important, because the institution presumably has many good agriculturists on its faculty. But if the rural economist in such a place makes a mistake in his economics, it is serious, for there is no one to check him up. If he slips in his treatment of an agricultural subject, it will do the students less harm, because they can get accurate information from other sources. Agricultural students usually know enough about agriculture to weigh with intelligence

anything that the instructor may say concerning it. But it is the observation of the writer that many of them will swallow any sort of economic doctrine without so much as blinking. It is very important that even an agricultural college should have at least one good economist on its faculty; it does not make much difference whether there are fifty good agriculturists or fifty-one.

It has been urged that rural economics has profited as much from practical farm management investigations as from the research of economists. Professor Taylor pointed out several years ago that economics was "likely to be benefitted more by the men without economic training who are working in the field (of farm management) than by the men of economic training who are not working in that field." This may be true, but it is not an argument for economists to work in a field that they do not understand. It is merely a call for more farm management experts. The writer is glad to acknowledge a heavy indebtedness to some of the men in farm management work; in fact, he would lose almost any book in his library rather than Professor Warren's *Farm Management*; but that does not argue that rural economists should all turn their hands to farm management. It merely emphasizes the value of work along this line; work which of course will be best done by those trained for it, and not by those trained for something else.

The argument that rural economics should take the individual as well as the social point of view in order to enlist adequate financial support is surely inconclusive. If the science has to deal with individual profits in order to get a respectable slice in the budget, let it do so, but let it do so under its own proper name — farm management.

Financial support may be gained at the expense of academic standards. This often happens in agricultural colleges, where rural economics is thrown into the pot with a hodge-podge of political economy, history, sociology, farm management, animal husbandry, dairying, commercial geography, marketing, "geology, meteorology, physics, chemistry, entomology, plant physiology, plant breeding" (I quote from Professor Taylor's bulletin, *The Place of Economics in Agricultural Education and Research*), with some statistics and accounting, and sometimes with a liberal sprinkling, it must be confessed, of fairly cheap buncombe. The rural economist is often thrown into contact mainly with agriculturists, and, while he gains valuable knowledge of agricultural conditions, he frequently loses his economic viewpoint. Sometimes the transition from economist to agriculturist has involved a loss of academic standards.

Some rural economists, even among those who do not follow Professor Taylor all the way, have stretched the field of rural economics to cover too many subjects. Professor Nourse, for instance, in his book of readings, includes extracts on the following subjects: general economic theory, economic history, ancient, medieval and modern, American and European, rural sociology, dietetics, animal husbandry, dairy husbandry, meteorology, botany and agronomy, irrigation, dry farming, drainage, soil chemistry, conservation, immigration, co-operation, farm management, farm accounting, tenancy, land policy, marketing, transportation and rural credits. This is an interesting and stimulating list; but no writer of an original piece of work could cover so much and do it well.

Farm management and economics together thus constitute a field entirely too broad to be covered by most

men. This does not mean that the rural economist should be ignorant of farm management. He will find it necessary to keep in close touch with the literature of that subject. His attitude, however, should not usually be that of a worker in the field, but rather that of a gleaner of such facts as he may find valuable in his study of the broader economic problems. The question of swelling the profits of the individual farmers he can safely turn over to specialists who are looking at farming from a different angle. The point of view of the economist is not individual but social; and individual profits and social well-being are not necessarily identical.

Some economists deny that there is any field of economics which can properly be carved out and designated "rural economics." Professor Herkner once remarked that the more he studied the subject the more he was convinced that it fell into two parts, one of which was agriculture, and the other ordinary economics. One of the most successful teachers of the subject in this country once confided to the writer that he was convinced there was no such thing. A considerable number of the conservative economists of the country would at least agree that rural economics has not yet risen to the dignity of some of the other branches of economics.

There is some point to this view of the matter. Much of what is commonly called rural economics, or "agricultural economics," or "economics of agriculture," is nothing in the world but agriculture. Papers have been read at the meetings of the American Economic Association which could more properly have been given at a dairy congress or a meeting of the farm management association. Some agriculturists imagine they are getting into economics whenever they use figures or statistics or accounting, or whenever they make a few generalizations regarding social welfare.

Much of what is often called rural economics is only general economics. Discussions of rent, diminishing returns, marketing, and coöperation, are quite germane to any treatment of general economics. Much that is contained in Professor Carver's *Principles of Rural Economics*, for instance, would be entirely appropriate in a text on general economics. For some purposes the book is more valuable on this account. In not a few agricultural colleges, students take agricultural economics without having had any work in the elementary principles of economics, and if they are not exposed to some of the general principles in this way, they do not get contact with them at all.

Several writers have viewed rural economics as a sort of general economics, with illustrations from agriculture; have studied the general principles of economics, then made special applications to agriculture; have taken up general theories of interest, then rural credits, general principles governing wages, then wages of agricultural labor; have studied the tariff and the farmer, monopolies and the farmer, railroads and the farmer, and other topics "and the farmer." A textbook based on this plan is a mere book on the principles of economics, with a squint in the direction of agriculture, and is likely to be inferior to an ordinary book on the principles. There is no reason why a farmer should be fed on information regarding himself and his own business alone. Perhaps he would know more "economics" and get a broader outlook if he studied other industries as well as his own. In many agricultural colleges there is entirely too much of this dishing out to the students of science in a diluted, specialized form: agricultural economics, agricultural English, agricultural journalism, agricultural education, rural law. Such "agricultural" courses perhaps look well to the voting farmers, but

they represent a form of politics. Even for agricultural students they are usually inferior to the courses given without any particular stress on agriculture.

Several writers on rural economics have followed the traditional outline used in general economics — dividing the field into consumption, production, exchange, and distribution; distribution being treated as in any elementary course, under the heads value, rent, wages, interest, and profits. Some basis of classification is necessary, some kind of a series of racks or pegs to hang ideas on. But if rural economics is to be rated a separate field of economics, it is deserving of a different classification. Why should distribution be treated just as it is treated in general economics — under value, rent, wages, interest, and profits — when over half of the agricultural income goes to farmers who are land-owners, laborers, capitalists and entrepreneurs all in one? In their case, the question of distribution is a question in accounting, not in economics. The classification does not fit. It is too evidently borrowed property.

If one field of economics be mapped out and designated “rural economics,” logic might seem to demand that the rest should be called “urban economics.” In fact at least one college in the country has followed this line of cleavage in sociology. Such a division, altho inexpedient in economics, brings out the broad scope of rural economics, even without the purely agricultural matters with which it is often incumbered.

Rural economics has hitherto had a bad name with economists generally, because of the low average quality of the output in the field. The low quality is due to various circumstances. The subject is relatively new, as far as academic recognition is concerned, and has not been well organized. Many rural economists have tried

to cover too much ground — have tried to be both agriculturists and economists. Finally, rural economics has been an attractive field for writers of no economic training whatever. Agriculturists and politicians of all kinds have found relaxation and happiness in writing and lecturing on various aspects of the subject — such as marketing (especially the elimination of the middleman), coöperation, and the tariff, especially the tariff on Argentine beef and Chinese eggs.

Under the influence of Professor Taylor, some rural economists and farm management men united last year in what is called the "Farm Economics Association." This was a step in the direction of broadening the field covered by both groups of men, but was also a step toward lower standards of work. As already pointed out, either rural economics or farm management is a sufficiently broad field for the exercise of the highest talent, and the two together make a field which few men can hope to cover well. The tendency in the future will certainly not be in the direction of broader fields of work, but rather in the direction of more intensive specialization, in order that work may be more carefully done. What we now call rural economics covers too much ground, even without including farm management. It will be broken up into a number of subjects — such as land problems, marketing of farm products, rural credits, coöperation, perhaps others. Any one of these subjects will furnish ample material for a college course. Professor Ely has seen the importance of land problems, for instance, and has done much to turn the attention of economists in this direction. There is no reason why land problems should not prove as important as railway problems, or banking, or taxation, or public utilities. In fact land problems, not only in point of investment and number of people con-

cerned, but also in importance to the future of the nation, are more important than any of the other subjects mentioned. Marketing is a subject so broad that no man can cover it well in all its aspects; and it is significant that the best general treatises on marketing of farm products have been written by economists of no particular training in agriculture or farm management.

In conclusion then, the tendency of the future should not be, and will not be, to combine economic and agricultural matters in any composite course on "farm economics." The tendency will be, not only to separate rural economics and farm management, but even to split rural economics up into a number of subjects or courses. In several institutions this is already being done.

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